



**Department of
Veterans Affairs**

Office of Inspector General

ADMINISTRATIVE INVESTIGATION

**USE OF GOVERNMENT RESOURCES, CONDUCT, AND TRAVEL ISSUES
CONNECTICUT HEALTH CARE SYSTEM AND
CENTRAL PLAINS VETERANS INTEGRATED SERVICE NETWORK**

**Report No. 99-01783-43
Date: February 29, 2000**

FULLY-REDACTED ELECTRONIC COPY FOR PUBLIC RELEASE

Date: February 29, 2000
From: Assistant Inspector General for Investigations (51)
Subj: Administrative Investigation – Use of Government Resources, Conduct, and Travel Issues, Connecticut HCS and Central Plains VISN, Report No. 99-01783-43 (Case IQ-0005)
To: Acting Under Secretary for Health (10)

1. Attached is our final report of an administrative investigation into allegations that Mr. Vincent W. Ng, Director of the Central Plains Veterans Integrated Service Network (VISN 14), misused Government resources and violated standards of conduct and Federal travel regulations. The allegations pertained to Mr. Ng's activities while he was the Director of the VA Connecticut Health Care System, as well as in his current position of VISN 14 Director.

2. We substantiated that Mr. Ng misused a Government vehicle to regularly commute from his residence to work. His actions constituted an unauthorized use of Government property and, as a result of such use, he personally and improperly benefited. We also substantiated that Mr. Ng's Chief Financial Officer disregarded the laws and regulations pertaining to the use of Government vehicles, thereby allowing Mr. Ng to use the Government property for an unauthorized purpose. You concurred with our recommendations to take appropriate administrative action against Mr. Ng and his Chief Financial Officer, and to ensure that Mr. Ng repays the General Services Administration's mileage charges applicable to the unauthorized miles driven. We consider this issue resolved, and will follow up to ensure the recommendations are implemented.

3. Additionally, we substantiated that Mr. Ng used his position for his own private gain by having his staff construct an above standard sunporch on his on-station quarters, at Government expense. He personally benefited from the use of the porch, and paid nothing for its renovation. You did not agree with our recommendation to issue a bill of collection to Mr. Ng to recover the funds spent on the sunporch, above the amount initially estimated for repairing the existing porch. You also did not agree with our recommendation to take appropriate administrative action against Mr. Ng. Rather, you proposed re-appraising the quarters, to consider the value of the sunporch, and billing Mr. Ng for the difference in the monthly rent for the period of time he remained there. While we maintain that the sunporch was an above standard improvement, and that Mr. Ng should have paid for its construction, we will not pursue implementation of our recommendations. We will follow up to ensure that the quarters are re-appraised and a bill of collection is issued to Mr. Ng for the difference in rent.

4. We further substantiated that Mr. Ng wasted Government funds by unnecessarily exchanging a Government vehicle leased by the Connecticut Health Care System with a Government vehicle leased by the VISN 14 office in Nebraska. On another matter, we found Mr. Ng improperly used his personal credit card to pay for official

travel expenses, thereby accruing frequent flyer mileage points that were available for his personal use. We also found that Mr. Ng improperly used his Government position to obtain Government airline tickets, or segments of Government airline tickets, when there was no official necessity for him to travel. Finally, we substantiated that Mr. Ng misused his subordinates' official time on several occasions by asking them to perform personal tasks for him during their working hours.

5. Regarding the above, we recommended that appropriate administrative action be taken against Mr. Ng and that bills of collection totaling \$1,857 be issued to him to recover the cost of unnecessarily exchanging the two Government vehicles, and to recover the cost of improper travel expenses paid to him. You concurred with these recommendations. We consider these issues resolved, and will follow up to ensure the recommended actions are implemented.

6. I appreciate your cooperation in resolving these issues.

(Original signed by:)
THOMAS J. WILLIAMS

Attachment

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ADMINISTRATIVE INVESTIGATION

USE OF GOVERNMENT RESOURCES, CONDUCT, AND TRAVEL ISSUES CONNECTICUT HEALTH CARE SYSTEM AND CENTRAL PLAINS VETERANS INTEGRATED SERVICE NETWORK

REPORT NO. 99-01783-43
(Case IQ-0005)

INTRODUCTION

Purpose

The Department of Veterans Affairs (VA), Office of Inspector General, Administrative Investigations Division, investigated allegations that Mr. Vincent W. Ng, Director of the Central Plains Veterans Integrated Service Network (VISN 14), misused Government resources and violated standards of conduct and Federal travel regulations. The allegations pertained to Mr. Ng's activities while he was the Director of the VA Connecticut Health Care System, as well as in his current position of VISN 14 Director. The complainants alleged that Mr. Ng improperly used a Government-leased vehicle, wasted Government funds, abused the Government travel system, and misused subordinates' official time. The purpose of this investigation was to determine the validity of these allegations.

Background

Mr. Ng has been a VA employee since October 1978. He served in a variety of administrative positions, including Associate Director, at several VA facilities before he became Director of the VA Medical Center in Newington, Connecticut, in August 1993. In November 1994, Mr. Ng was named Acting Director of the VA Medical Center in West Haven, Connecticut, and Lead Director of the Connecticut Health Care System, which encompassed both the Newington and West Haven facilities. A year later, in November 1995, Mr. Ng was selected Director of the Connecticut Health Care System. His official duty station was changed from Newington to West Haven in June 1995. From 1993 until July 1998, Mr. Ng resided in Government quarters located on the Newington campus. The Newington and West Haven campuses are approximately 40 miles apart.

Effective July 5, 1998, Mr. Ng became Director of VISN 14, then located in Omaha, Nebraska. In November 1998, Mr. Ng moved from an off-station apartment in Omaha to Government quarters on the grounds of the VA Medical Center in Lincoln, Nebraska. In March 1999, the VISN office relocated to the grounds of the Lincoln Medical Center.

Scope

To assess the allegations, we took sworn, tape-recorded testimony from Mr. Ng and other employees of the Connecticut Health Care System and the VISN 14 office. We also discussed the allegations, as appropriate, with officials of VA's contract travel agency, representatives of a VISN 14 contractor, General Services Administration (GSA) officials, and others. We reviewed documentation concerning Mr. Ng's use of Government vehicles, construction of a porch on his quarters in Newington, use of his personal credit card for official travel expenses, certain of his travel activities, and his use of subordinates' official Government time.

During the course of our investigation, we received additional allegations that we did not substantiate. These included allegations that **(b)(6)**.....
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..... We do not address these allegations further in this report.

RESULTS AND RECOMMENDATIONS

Issue 1: Whether Mr. Ng misused a Government vehicle

We substantiated that, between November 1994 and July 1998, Mr. Ng frequently misused a Government vehicle leased from GSA. He routinely traveled about 80 miles round trip in the vehicle from his Newington residence in Government quarters to the West Haven campus, which, during most of this period, was his official duty station.

Standard: Federal law [31 USC §1344 (a)(1)] prohibits the use of Government owned or leased vehicles except for official Government business. VA Policy [MP-1, Part II, Chapter 2, paragraph 8] requires Federal employees to transport themselves from their residence to their permanent duty station and return at their own expense.

The use of a Government vehicle for travel between an employee's residence and a local work site is authorized only when the agency head approves the commuting, the use of the vehicle falls within one of the provisions authorizing home-to-work commuting, and the use of the vehicle is cost-beneficial to the Government. One provision in the law permitting home-to-work commuting in a Government vehicle pertains to field work. According to this provision, home-to-work transportation may be authorized for an employee who has an official necessity to perform duties at several different locations other than his or her normal duty station throughout the day, or when traveling to a temporary work site outside the local commuting area. The field work exception does not apply when the first work location of the day is the employee's official duty station, or if the employee travels to a single alternate work site within the local commuting area. Mr. Ng's local commuting area while stationed at West Haven was the area within 50 miles of the West Haven facility.

Federal law provides that willful misuse of a Government vehicle is a violation punishable by a mandatory 1-month suspension. [31 U.S.C. §1349] Case law has defined willful misuse under this statute to mean that either the employee knows the use of the vehicle is not official, or the employee acts with reckless disregard as to whether the use is for an official purpose. In addition, the "Standards of Ethical Conduct for Employees of the Executive Branch" prohibit employees from using, or allowing the use of, Government property, including Government vehicles, for other than authorized purposes. [5 CFR §2635.704]

Discussion: Mr. Ng acknowledged that, once he began working in West Haven in November 1994,¹ he routinely used a Government vehicle to travel there from his Government quarters on the Newington campus. He said, in general, he scheduled himself to work in West Haven at least 3 full days each week, and when he did so, he used the Government vehicle to drive there from Newington. He noted that he often had meetings elsewhere, including evening and breakfast meetings, and that he frequently traveled to meetings at leased space, located between the two campuses.

¹ For a 5 to 6 month period in 1997, Mr. Ng was informally detailed full time to the VISN 1 office in Boston, Massachusetts.

Mr. Ng told us he drove the Government vehicle, a Jeep, to West Haven because, due to the weather conditions, he wanted a 4-wheel drive vehicle. However, Mr. Ng used the Jeep all year, not just during times of inclement weather.

Three VA police officers, who had been assigned to the Newington campus at some time during the period Mr. Ng lived there, told us they frequently observed a Government vehicle parked in the driveway of Mr. Ng's quarters. Two of them said they made these observations while on patrol. Additionally, two police officers told us they often saw Mr. Ng leave the facility grounds in the morning and return in the evening, driving the Government vehicle.

Mr. Ng told us he received ethics training annually and acknowledged that he was aware using a Government vehicle for home to work commuting was inappropriate. Further, he told us he never asked for, or received, permission from any superior to use the vehicle to drive from his residence to his work site in West Haven, and never conducted an analysis to determine if his use of the vehicle was cost beneficial to the Government. He told us that, around 1995, when the Newington and West Haven facilities were integrated, he sought advice from his Chief Financial Officer at the West Haven campus, and from Regional Counsel regarding the appropriateness of using the Government vehicle to travel from one facility to the other. He said he sought their advice because he was aware employees were questioning the appropriateness of what he was doing.

Mr. Ng told us the advice he received from the Chief Financial Officer was that his use of the Government vehicle was appropriate because he was required to live on station and was on-duty 24 hours a day, and because both the Newington and West Haven facilities were his responsibility. Mr. Ng told us that, therefore, all his travels within the Connecticut Health Care System were official Government business and he could appropriately use a Government vehicle. Furthermore, Mr. Ng said the Regional Counsel advised him he could use the Government vehicle as long as the purpose was for Government business. Mr. Ng also noted that he had been involved in the integration of another facility, and the Director there used a Government vehicle to travel from site to site.

Mr. Carl Lister, the Chief Financial Officer at the West Haven campus, and currently Mr. Ng's Chief Financial Officer in VISN 14, corroborated that he advised Mr. Ng in 1995 that he could appropriately use a Government vehicle for home-to-work travel. Mr. Lister confirmed that he told Mr. Ng such use was appropriate because Mr. Ng lived on station, was on duty 24 hours a day, and was responsible for multiple facilities. He further said it was not possible for Mr. Ng to "commute" because he lived at work and was always on duty. He said, since Mr. Ng traveled from one VA campus to another, and had responsibility for both, he could not be commuting. He viewed Mr. Ng as having a duty station at Newington, as well as at West Haven. Mr. Lister noted that, if Mr. Ng lived off station, then his travels to West Haven would be a commute. However, Mr. Lister told us he had not read the laws pertaining to the use of Government vehicles, and could not recall whether he read the implementing regulations and

policies. Further, he told us he did not remember if he ever sought advice from anyone regarding the appropriateness of commuting to work in a Government vehicle, and said he had not had discussions on the matter for many years.

As evidence he was on duty 24 hours a day, Mr. Ng and Mr. Lister cited the fact that Mr. Ng was entitled to a tax break for living on-station. We found that, under an Internal Revenue Service ruling, the rent Mr. Ng paid on his on-station quarters was not considered part of his gross salary for Federal income tax purposes. However, an official in the Veterans Health Administration's Office of the Chief Financial Officer, VA Central Office, told us this did not mean Mr. Ng was on duty 24 hours a day. VA policy states that "the normal tour of duty for each full-time Senior Executive shall be the 40-hour basic workweek established for the VA facility to which the Senior Executive is assigned" [MP-5, Part I, Chapter 920, paragraph (13)]. Mr. Ng became a Senior Executive in August 1993; therefore, this provision applied during the time in question.

The Regional Counsel from whom Mr. Ng told us he sought advice is now deceased. Therefore, we could not confirm what she told him. However, we interviewed the former attorney's secretary, who still works in that office. The secretary told us that, despite an extensive search, she could not find any documentation that the attorney gave Mr. Ng advice on this matter. In addition, she had no personal knowledge that the attorney gave Mr. Ng such advice.

We received testimony that Mr. Ng also commuted from home to work in a Government vehicle when he became VISN Director, living off-station in Omaha. According to the allegation, Mr. Ng stopped commuting in the Government vehicle about the time we began our investigation. Mr. Ng denied using the vehicle for this purpose, and we were unable to determine conclusively if he did misuse the vehicle in Omaha. He told us he knew it was inappropriate for him to use a Government vehicle to drive to work in Omaha from his off-station residence in Omaha or, later, from his on-station residence in Lincoln. He made a distinction between his situation in Connecticut and in Nebraska, noting that in Nebraska he was not responsible for the day-to-day operations of the VISN facilities, was not on duty 24 hours a day, and was not entitled to a tax break.

During the course of this investigation, we found that Mr. Ng did not maintain the motor vehicle trip log, as required by 41 CFR §101-6.403(a), when using a Government vehicle. Mr. Ng told us he had never maintained the vehicle log.

Conclusion: Mr. Ng misused a Government vehicle to regularly commute from his residence to work. While Federal law provides that an employee may, under certain circumstances, use a Government vehicle for field work transportation, those circumstances did not exist for Mr. Ng. For most of the time in question, he was commuting to his official duty station. Even during the time West Haven was not Mr. Ng's official duty station, it was a work site within Mr. Ng's local commuting area. The provision in the law allowing an employee to use a Government vehicle for field work transportation does not apply to the employee's official duty station or to a single work site in the employee's local commuting area. Furthermore, even when Mr. Ng

traveled to multiple work sites, he did not have permission from the VA Secretary to use the vehicle for home to work commuting, as required, and did not make the required analysis to determine if such use was cost beneficial to the Government.

Mr. Ng's contention that he was on duty 24 hours a day is erroneous and, in any case, an irrelevant rationale for using a Government vehicle to commute to and from work. The notion that he was not commuting because he lived on-station and was responsible for both the West Haven and Newington campuses is also erroneous. We recognize the difficulty in proving that Mr. Ng's actions constituted "reckless disregard" when Mr. Lister, albeit erroneously, advised Mr. Ng that his use of the vehicle was permissible. Mr. Ng also asserted he did discuss the issue with the Regional Counsel. As she is deceased, we could not ascertain the specifics of that conversation. Nevertheless, while it is difficult to prove that Mr. Ng's actions meet the stringent interpretation of "willful misuse" under 31 U.S.C. §1349, he is culpable. Given his many years of Government experience, he demonstrated a willful disregard for whether his use of the vehicle was authorized. His actions constitute an unauthorized use of Government property and, as a result of such use, he personally, and improperly, benefited.

Regarding Mr. Lister, he made no effort to determine the laws and regulations applicable to Mr. Ng's circumstances, and offered no basis for the advice he provided Mr. Ng. By disregarding the applicable requirements, Mr. Lister allowed Mr. Ng to use Government property for an unauthorized purpose.

Recommendation 1

The Acting Under Secretary for Health should ensure that:

- a) appropriate administrative action is taken against Mr. Ng for using Government property for an unauthorized purpose;
- b) appropriate administrative action is taken against Mr. Lister for disregarding applicable laws and regulations when providing advice to Mr. Ng, thus allowing him to use Government property for an unauthorized purpose; and
- c) the Chief Network Officer and Mr. Ng come to a mutually agreeable determination of the total number of miles Mr. Ng used Government vehicles for an unauthorized purpose, and ensure that Mr. Ng repays the applicable GSA mileage charges.

Acting Under Secretary for Health response

The Acting Under Secretary for Health concurred with our findings. He told us that appropriate administrative action would be taken against both Mr. Ng and Mr. Lister, and that Mr. Ng would be asked to repay an appropriate amount of GSA mileage charges. The Acting Under Secretary's complete response is in Appendix I.

Office of Inspector General comment

The Acting Under Secretary for Health was responsive to our recommendations, and we consider the matter resolved. We will follow up to ensure the recommended action is taken.

Issue 2: Whether Mr. Ng was responsible for the improper construction of an above standard sunporch on his station quarters

We substantiated that, in 1997, Mr. Ng directed his subordinates to have an above standard sunporch constructed on his Government quarters at the Newington campus, at Government expense.

Standard: VHA Directive 10-93-014 (February 1993), regarding the maintenance and repair of Government quarters, requires tenants to pay for the cost of above standard improvements requested by the tenant. The Directive provides, as an example, that if a tenant requests the installation or relocation of telephone jacks, and facility personnel accomplish the work, the tenant will be charged the prevailing rate in the community.

The “Standards of Ethical Conduct for Employees of the Executive Branch” prohibit an employee from using his Government position for his own private gain. [5 CFR §2635.702]

Discussion: In 1997, Mr. Ng requested that the Facilities Management Service staff replace the screened-in porch of his quarters at the Newington campus. The screens had deteriorated and the wood around the screens had rotted. Mr. Ng asked if the porch could be enclosed with glass. **(b)(6)**..... told us he estimated the cost to repair the screening and replace the wood to be \$1,500, and the cost of a glass enclosure, based on a review of the project by several contractors, would be around \$10,000. Mr. Ng subsequently agreed to a scaled down version of his initial request. The porch, as built, has five sliding glass doors. Newington officials paid the contractor \$5,500, and spent an additional \$297 on materials. Further, station electricians and project engineers devoted time to the project. Mr. Ng’s rent on the quarters did not increase as a result of this improvement.

Several management and supervisory officials in the Connecticut Health Care System’s Facilities Management Service told us the new sunporch was far above the design of the original porch. **(b)(6)**..... told us that, prior to the renovation of Mr. Ng’s porch, there were four screened-in porches in the Newington campus’ residential area, all in identical, deteriorated condition. The resident in one of these quarters told us he asked to have his porch repaired at about the same time Mr. Ng’s porch was being renovated, but his request was denied. Mr. Ng told us the upgrades to the other porches were not denied, only delayed. In December 1998, we viewed the porch on Mr. Ng’s former quarters and found its design well above the standard porches on the other quarters.

Conclusion: Mr. Ng used his position for his own private gain by having Facilities Management Service staff construct an above standard sunporch on his quarters at the Newington campus, at Government expense. He personally benefited from the use of the porch, and paid nothing for its renovation.

Recommendation 2

The Acting Under Secretary for Health should ensure that:

- a) a bill of collection is issued to Mr. Ng to recover all funds spent on the sunporch, including the value of the work performed by facility personnel, above the \$1,500 initially estimated for replacing the screens and wood; and
- b) appropriate administrative action is taken against Mr. Ng for using his Government position for his private benefit.

Acting Under Secretary for Health response

The Acting Under Secretary for Health did not agree with the recommendations, as stated above. He told us the sunporch constructed on Mr. Ng's quarters was justified as a minor improvement, given the harsh, lengthy winters of Connecticut. He said, although the quarters have since been re-appraised, the sunporch was not included. The Acting Under Secretary proposed that the quarters be appraised once again, to include the value of the sunporch, and that Mr. Ng be issued a bill of collection to recover the difference in the monthly rent for the period of time he remained in there. The Acting Under Secretary's complete comments are in Appendix II.

Office of Inspector General comment

While we maintain that the sunporch was an above-standard improvement to Mr. Ng's quarters, and that he should have paid for its construction from his personal funds, we will not pursue implementation of the above recommendations. We consider this issue resolved, and will follow up to ensure that the quarters are re-appraised and a bill of collection is issued to Mr. Ng for the difference in rent he paid.

Issue 3: Whether Mr. Ng wasted Government funds by unnecessarily exchanging two Government vehicles when he transferred from Connecticut to Nebraska

We substantiated that Mr. Ng wasted Government funds by unnecessarily exchanging a Government vehicle leased by the Connecticut Health Care System with a Government vehicle leased by the VISN 14 office in Nebraska.

Standard: The “Standards of Ethical Conduct for Employees of the Executive Branch” require employees to conserve Government property [5 CFR §2635.704].

Discussion: At the time Mr. Ng transferred from the Connecticut Health Care System to VISN 14, he routinely was driving a 1998 Jeep leased from GSA. The Jeep was equipped with power windows, tinted glass, a tilt steering wheel, a cassette player and other upgraded features. Before transferring to Nebraska, Mr. Ng expressed interest in taking the Jeep with him.

(b)(6)..... in West Haven told us Mr. Ng’s secretary there asked him to find out if the Jeep could be transferred. He said he contacted GSA and officials told him a transfer was not allowed, except for extraordinary reasons, and advised that Mr. Ng should ask for a vehicle when he arrived in Nebraska.

(b)(6)..... told us he was again contacted by Mr. Ng’s office and asked to call *(b)(6)*..... in VISN 14 regarding the possibility of exchanging the Jeep Mr. Ng was driving with a 1998 Jeep recently leased by the VISN office in Nebraska. *(b)(6)*..... confirmed to us that *(b)(6)* contacted the local GSA office after Mr. Ng told her the office in Connecticut would not allow the Jeep to be transferred. *(b)(6)* said the GSA officials *(b)(6)* talked to told *(b)(6)* they would not oppose the exchange if VA paid the cost. On June 30, 1998, *(b)(6)*..... notified Mr. Ng that his options were to exchange the Jeeps, submit a special request for a new Jeep, or have options installed on the Jeep recently leased by the VISN. *(b)(6)* asked him to let *(b)(6)* know which option he wanted *(b)(6)* to pursue. *(b)(6)*..... testified to us that *(b)(6)* received a call from *(b)(6)*..... in West Haven, who told *(b)(6)* he had spoken to Mr. Ng and asked *(b)(6)* to arrange for the exchange.

On July 2, 1998, *(b)(6)*..... wrote to GSA officials in Connecticut, informing them that “our new Network Director, Mr. Vincent Ng...has requested...” the exchange of the two Jeeps. Several days later, a private vendor departed Nebraska, drove the VISN’s Jeep to Connecticut, and later returned to Nebraska in the Connecticut Health Care System’s Jeep. The transfer cost the VISN \$1,225 in payment to the vendor. Additionally, the two vehicles were driven a total of 2,672 miles during the transfer, resulting in a GSA mileage charge of \$387.² The VISN staff member who

² During the time period in question, GSA charged VA 14.5 cents for each mile the two vehicles were driven.

was **(b)(6)**..... for the VISN at the time the Jeeps were exchanged told us he approved the expenditure because that was what his “new boss” asked him to do. He said he questioned Mr. Ng’s request, but approved it after considering what would happen if he didn’t.

Mr. Ng told us the reason he wanted the Jeeps exchanged was because the Jeep he had been driving in Connecticut had more amenities, which he needed. He said the primary consideration was that the Connecticut Jeep was better suited to handle Nebraska’s demanding terrain. For example, he noted that he thought the Connecticut Jeep had a larger engine. He also said the Connecticut Jeep was needed to better deal with the glare in Nebraska because that Jeep had tinted windows, and that it was better suited for Nebraska’s harsh winters and the wind. Further, Mr. Ng told us the cruise control in the Connecticut Jeep was helpful when driving long distances, and its cassette player improved the office’s efficiency on the road. However, Mr. Ng denied to us that he authorized the exchange of the Jeeps. He told us all he did was “ask if it can be done, and it was done.”

Conclusion: Mr. Ng wasted Government funds by having the Jeep he drove in Connecticut transferred to Nebraska in exchange for a Jeep recently leased by the VISN in Nebraska. Mr. Ng was personally involved in initiating and approving the exchange of the two vehicles. The transfer occurred solely as the result of his desire. We identified no official necessity for it. The two Jeeps had the same size engine and, in any case, the terrain in Nebraska is relatively flat and cannot be considered demanding. Regarding the harsh weather, we found no reason why the Jeep already in Nebraska could not handle snow and ice conditions as well as the Jeep in Connecticut. Further, the Jeep transferred to Connecticut had a tinted sunvisor area in the windshield. Although the Connecticut Jeep did have a cassette player, this did not justify the expense of hiring a contractor to drive one vehicle to Connecticut and the other one back to Nebraska.

Recommendation 3

The Acting Under Secretary for Health should ensure that:

- a) a bill of collection is issued to Mr. Ng for the \$1,612 in vendor and GSA charges he wasted by unnecessarily exchanging two vehicles between Connecticut and Nebraska; and
- b) appropriate administrative action is taken against Mr. Ng for wasting Government funds.

Acting Under Secretary for Health response

The Acting Under Secretary for Health concurred with the recommendations. His complete response is in Appendix II.

Office of Inspector General comment

The Acting Under Secretary for Health was responsive to the recommendations. We consider the matter resolved, and will follow up to ensure the recommended actions are implemented.

Issue 4: Whether Mr. Ng improperly used his personal credit card for official purchases while on Government travel

We substantiated that Mr. Ng improperly used his personal credit card to pay for official travel expenses. By doing so, he accrued frequent flyer mileage points that were available for his personal use.

Standard: VA policy [MP-1, Part II, Chapter 2, Appendix M] requires an employee to use his or her Government-issued charge card to pay for official travel expenses to the maximum extent possible. According to the policy, the travel charge card program is expected to substantially reduce the Government's cash requirements by reducing the need for travel advances, and to result in savings to VA through improved cash management and administrative procedures.

On September 13, 1996, the Office of General Counsel reaffirmed this policy, stating, "In the end, VA's policy more or less mirrors the existing travel regulation, i.e., an employee is required to use his or her government-issued credit card if at all possible. Thus, if an employee has a government-issue credit card, and if it is possible for the employee to use that card to cover official expenses, then the employee is required to do so." The Office of General Counsel noted that an employee may use his or her personal credit card for non-airfare expenses if, for example, the hotel or car rental agency does not accept the type of card issued by the Government. In such case, the employee may retain any benefit, such as frequent flyer mileage points, received for using the personal card. However, as the Office of General Counsel noted, Federal travel regulations [41 CFR §301-72.3] place strict limits on using personal credit cards for procuring airfare.

The "Standards of Ethical Conduct for Employees of the Executive Branch" prohibit an employee from using his public office for his own private gain. [5 CFR §2635.702]

Discussion: Our review of Mr. Ng's travel records disclosed that he used his personal credit card on at least 19 occasions between May 1997 and January 1999 for official purchases while on Government travel. These purchases included airline tickets, lodging, and airport parking fees. We found no evidence that, for the lodging and airport parking fees, the vendors would not accept the Government-issued card. Mr. Ng acknowledged to us that he used his personal credit card for such purchases. He told us he did not want a Government card because he preferred having only one. He said using only one card made it easier for him to track his expenses. Furthermore, Mr. Ng explained that he accumulated frequent flyer mileage points by using his personal credit card. He stated, "as a side benefit, you gain mileage or you gain dollars...and that's the whole reason why I use my own card," even for official Government purchases. He also indicated he did not use the Government-issued charge card because he had problems with it, especially since becoming VISN Director, and that the problems had been time-consuming to resolve.

.(b)(6)..... at the Lincoln Medical Center, who processed Mr. Ng's travel vouchers, told us .(b)(6) noticed charges to a VISA card on Mr. Ng's travel records at a time when the Government-issued card for VA employees was American Express (prior to November 1998). .(b)(6) documented that, on several occasions, .(b)(6) contacted the VISN's .(b)(6)..... to inform .(b)(6) the practice was improper. In addition, .(b)(6) stated that in August 1998, .(b)(6) faxed the applicable regulation to the VISN's .(b)(6) after Mr. Ng inquired as to why he needed to use the Government charge card. However, 2 months later, .(b)(6) identified another instance in which Mr. Ng was improperly using his personal credit card for his official travel expenses. .(b)(6)..... confirmed to us that .(b)(6)..... contacted .(b)(6) and faxed a copy of the regulation to the VISN 14 office. During the course of this investigation, we found another instance, in April 1999, in which Mr. Ng used his personal credit card for official travel expenses.

Conclusion: Mr. Ng obtained personal benefits from his official Government travel by using his personal credit card for official travel expenses. By using his personal credit card, Mr. Ng thwarted the purpose of the Government charge card program, and accumulated frequent flyer mileage points that were available for his personal use.

Recommendation 4

The Acting Under Secretary for Health should ensure that appropriate administrative action is taken against Mr. Ng for improperly using his personal credit card to pay for official travel expenses and, in so doing, using his public office for private gain.

Acting Under Secretary for Health response

The Acting Under Secretary for Health concurred with the recommendation, and stated that appropriate administrative action would be taken against Mr. Ng. His complete comments are in Appendix II.

Office of Inspector General comment

The Acting Under Secretary for Health was responsive to the recommendation. We consider the matter resolved, and will follow up to ensure administrative action is taken.

Issue 5: Whether Mr. Ng improperly used Government-issued airline tickets for personal trips, and received reimbursement for personal travel expenses

We substantiated that, on two occasions, Mr. Ng improperly used VA's contract travel agent to obtain a Government-issued airline ticket solely for personal travel and, on four other occasions, added a personal side trip to a Government-issued airline ticket. Further, Mr. Ng received reimbursement from the Government for personal travel expenses.

Standard: The "Standards of Ethical Conduct for Employees of the Executive Branch" prohibit an employee from using his public office for his own private gain [5 CFR §2635.702].

Federal statute prohibits an employee from making a false statement in a Government matter [18 USC §1001].

Discussion: In August 1998, and again in September 1998, Mr. Ng used the VISN office's travel order numbers to obtain Government-issued airline tickets from the VA's contract travel agent to travel to Seattle, Washington, on personal business. Mr. Ng told us he was from the Seattle area and acknowledged using the Government tickets for the two trips. He said his schedule was such that he needed to change his personal travel plans frequently and the Government ticket allowed him to do so without penalty.

Mr. Ng testified that, prior to the August 1998 trip, he asked the VISN's (b)(6)..... if it was appropriate for him to use a Government ticket for his personal travel, and (b)(6) told him it was not. He said he then asked Mr. Lister, and Mr. Lister told him to "work with (b)(6)....." (b)(6)..... told us Mr. Ng wanted to visit his parents in Seattle and wanted an airline ticket at the Government rate. (b)(6).... told Mr. Ng he was not entitled to a Government rate unless he had a travel authority. A travel authority provides an official Government purpose for, and authorizes, the travel. (b)(6) said Mr. Ng's (b)(6)..... then asked (b)(6) to contact the Connecticut Health Care Systems' staff "to inquire how they did things," and that, when (b)(6) did so, the person who had been Mr. Ng's (b)(6)..... told (b)(6) "you...learn to make up a business trip to appease the travel agency or whatever it took to get the travel authority in place." The (b)(6)..... denied having this conversation with the (b)(6).....

(b)(6)..... told us that, after (b)(6) conversation with the Connecticut Health Care System (b)(6)....., (b)(6) arranged a meeting for Mr. Ng in Seattle with one of the VISN's contractors. This was corroborated by another VISN official, who told us (b)(6) overheard a telephone conversation in which Mr. Ng told (b)(6)..... to arrange a meeting for him in Seattle so he could get the Government rate. According to the travel agency, Mr. Ng did complete his trip to Seattle. However, a representative of the contractor told us Mr. Ng cancelled his visit to the office and, instead, talked to the

contractor by telephone. Mr. Ng did not submit a claim for reimbursement for the cost of the airline ticket or other expenses associated with this trip. He used his personal credit card to pay for the airline ticket.

In September 1998, Mr. Ng again traveled on personal business from Omaha to Seattle with a Government airline ticket. The VISN travel authority number used to obtain the ticket was subsequently cancelled; however, we confirmed with the contract travel agency that Mr. Ng did complete the trip. Again, Mr. Ng did not submit a claim for reimbursement of the cost of his airline ticket or for other expenses associated with this trip.

Mr. Ng told us he considered both his August and September 1998 trips to Seattle to be both official business and personal because "even when I'm away, I still do work, you know, through e-mail, through phone calls, and so on and so forth." However, he reiterated that the primary reason he used Government tickets was because they allowed him to be flexible in scheduling his trips. He told us he did not file a travel voucher for the August trip because he wanted to be conservative and because of the "sensitivity."

In addition to the above trips, we identified four occasions on which Mr. Ng traveled by air for official Government purposes, but added a personal side trip to Seattle. Mr. Ng charged annual leave for the work days he was in Seattle. However, the side trips were included in Mr. Ng's Government-issued tickets, allowing him the flexibility and cost savings afforded official travelers. For example, on March 18, 1998, Mr. Ng traveled to Denver, Colorado, to attend an official VA meeting on March 19 and 20. For no official necessity, Mr. Ng added a trip to Seattle, leaving Denver the night of March 20 and returning to Connecticut several days later. The trip to Seattle was included in Mr. Ng's Government-issued ticket.

The airfares for the four trips, including the cost of the side trips Mr. Ng took to Seattle, were initially charged to a VA account. We found evidence that, on two of these occasions, Mr. Ng reimbursed VA for what he considered to be the cost of the personal trips to Seattle. However, we calculated that the amount of one of these reimbursements was insufficient. In addition, we found no evidence that, on a third occasion, Mr. Ng repaid any amount to cover his personal travel. We identified no additional cost to the Government associated with Mr. Ng's fourth trip. We calculated that, in total, Mr. Ng owes VA \$162 for the value of the personal side trips he took using a Government airline ticket.

Furthermore, we identified one occasion in December 1995 when Mr. Ng traveled for personal reasons under a Government travel authority, and received reimbursement for some of his personal expenses associated with that trip. While stationed at West Haven, Connecticut, Mr. Ng traveled to Seattle from December 21, 1995 through January 2, 1996. Mr. Ng's travel voucher noted the reason for the trip was "to visit the Seattle VAMC for approximately two days to review their integration process." The

Connecticut Health Care System was undergoing its integration at this time. Mr. Ng told us the trip was convenient for both the Government and for him.

According to Mr. Ng's travel authority, he planned to visit the Seattle Medical Center for two days, December 27 and 28, 1995. The Seattle Medical Center Director told us, and his calendar confirmed, that he met with Mr. Ng on December 28. He told us the two met for an hour at the most. He said that was the only meeting he ever had with Mr. Ng at the Seattle facility. He could not recall specifically what they discussed, but believed Mr. Ng just stopped by to talk. Mr. Ng's time and attendance record indicates that on December 27 and 28, he was in an authorized absence status due to the Government furlough. In fact, during his entire stay in Seattle, Mr. Ng was in an authorized absence status. Nevertheless, Mr. Ng claimed \$83 in reimbursement for taxis, mileage, and airport parking for this trip. He did not claim reimbursement for the cost of the airline ticket, which he charged on his personal credit card.

Conclusion: Mr. Ng improperly used his Government position to obtain Government airline tickets, or segments of Government airline tickets, when there was no official necessity for him to travel. As a pretext for using one ticket, Mr. Ng arranged a meeting with a contractor. Regarding another trip, Mr. Ng falsely filed a claim for \$83 in personal travel expenses.

Recommendation 5

The Acting Under Secretary for Health should ensure that:

- a) a bill of collection is issued to Mr. Ng for \$83, which he falsely claimed as an official expense on a travel voucher, and for \$162, which represents the value of the side trips he took for personal reasons using Government-issued airline tickets; and
- b) appropriate administrative action against is taken against Mr. Ng for improperly using a Government-issued airline ticket for his personal benefit, and for making a false claim on a travel voucher.

Acting Under Secretary for Health response

The Acting Under Secretary for Health concurred with the recommendations. His complete comments are in Appendix II.

Office of Inspector General comment

The Acting Under Secretary for Health was responsive to the recommendations. We consider the issues resolved, and will follow up to ensure the recommended actions are implemented.

Issue 6: Whether Mr. Ng misused his subordinates' official duty time

We substantiated that Mr. Ng misused his subordinates' official duty time on several occasions by asking them to perform personal tasks for him during their working hours.

Standard: The "Standards of Ethical Conduct for Employees of the Executive Branch" prohibit an employee from directing or requesting a subordinate to use official time to perform activities not required in the performance of his or her official duties, or not authorized by law or regulation [5 CFR §2635.705 (b)].

Discussion: Mr. Ng acknowledged several instances in which he asked his subordinates to perform personal tasks for him. For example, he told us he asked a VISN employee to assist him, during her working hours, in purchasing his personal vehicle. The employee made telephone calls for Mr. Ng, in an effort to find the best price, and helped him contact an automobile insurance agent. Mr. Ng also acknowledged he asked some of his staff, from time to time, to bring him lunch. He said he would write them a \$50 check to use for his lunches, and when the money was spent, he would write another check. Further, Mr. Ng told us he asked subordinates in the VISN and at the Connecticut Health Care System to arrange personal trips for him by calling a travel agency to obtain costs. Finally, Mr. Ng told us he once asked a subordinate to mail a Christmas package for him. The subordinate told us that she had to make two trips from the VISN office to the delivery service's office to successfully mail the package.

(b)(6)..... told us that, on days he planned to travel, Mr. Ng asked *(b)(6)* or others to pick him up from his residence and bring him to the office. *(b)(6)* said *(b)(6)* used *(b)(6)* personal car to pick him up, and the round-trip ride took about 20 minutes. However, Mr. Ng told us he did not recall ever asking anyone to pick him up at home.

Conclusion: Mr. Ng repeatedly misused the official time of his subordinates by asking them to perform a variety of personal tasks for him.

Recommendation 6

The Acting Under Secretary for Health should ensure that appropriate administrative action is taken against Mr. Ng for misusing the official time of his subordinates.

Acting Under Secretary for Health response

The Acting Under Secretary for Health concurred with the recommendation. He noted that Mr. Ng's actions did not appear to be indicative of a pattern of deliberate misuse of subordinates' official duty time, but of carelessness on the part of Mr. Ng. The Under Secretary's complete comments are in Appendix II.

Office of Inspector General comment

The Acting Under Secretary for Health was responsive to the recommendation. We consider the matter resolved, and will follow up to ensure the recommendation is implemented.

ACTING UNDER SECRETARY FOR HEALTH'S
FEBRUARY 17, 2000 COMMENTSDepartment of
Veterans Affairs

Memorandum

Date: February 17, 2000

From: Deputy Under Secretary for Health (10A/105E)

Subj: *OIG Draft Administrative Investigation Report, Use of Government Resources, Conduct, and Travel Issues, Connecticut Healthcare System and Central Plains Veterans Integrated Service Network, Report No. 9IQ-005-HQ*

To: Assistant Inspector General for Investigations (51)

1. In my memorandum to you on this report, dated January 7, 2000, I responded to all of the recommendations in the report except recommendation one. I deferred taking a position on that recommendation pending the receipt of information and guidance from the General Counsel concerning the issues identified. The General Counsel provided their response to the Chief Network Officer on January 28, 2000. Based on that response, I am concurring that Mr. Ng misused a government vehicle and that this misuse was not willful. Appropriate administrative action will be taken against both Mr. Ng and Mr. Lister. Mr. Ng will be asked to repay an appropriate amount of GSA mileage charges.

2. Thank you for the opportunity to review the draft report. If you have any questions, please contact **(b)(2)(b)(6)**....., Office of Policy and Planning (105E), at 202.273.**(b)(2)(b)(6)**.

(Original signed by Francis M. Murphy, M.D. for:)
Thomas L. Garthwaite, M. D.

ACTING UNDER SECRETARY FOR HEALTH'S
JANUARY 7, 2000 COMMENTS

**Department of
Veterans Affairs**

Memorandum

Date: January 7, 2000

From: Acting Under Secretary for Health (10/105E)

Subj: *OIG Draft Administrative Investigation Report, Use of Government Resources, Conduct, and Travel Issues, Connecticut Healthcare System and Central Plains Veterans Integrated Service Network, Report No. 9IQ-005-HQ*

To: Assistant Inspector General for Investigations (51)

1. This is in response to your request for comments and action on this draft report. I apologize for not responding sooner to your request, however, the issues are quite serious and several are rather complicated, so additional time was necessary to respond. In fact, I am still waiting for additional information and guidance on recommendation 1. I hope to be able to provide a response to you on that recommendation in the near future. I concur with the remaining recommendations. A plan outlining implementation of corrective actions on those recommendations is attached.

2. Thank you for the opportunity to review the draft report. If you have any questions, please contact **.(b)(2).(b)(6)**....., Office of Policy and Planning (105E), at 202.273. **.(b)(2).(b)(6)**.

(Original signed by:)
Thomas L. Garthwaite, M. D.

Attachment

**ACTING UNDER SECRETARY FOR HEALTH'S
JANUARY 7, 2000 COMMENTS**

Action Plan in Response to OIG/GAO/MI Audits/Program Evaluations/Reviews

Name of Report: *Use of Government Resources, Conduct, and Travel Issues, Connecticut Healthcare System and Central Plains Veterans Integrated Service Network*

Project No.: 9IQ-005-HQ

Date of Report: Undated draft administrative investigation report

Recommendations/ Actions	Status	Completion Date
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Recommendation 1. The Acting Under Secretary for Health should ensure that:

- a. appropriate administrative action is taken against Mr. Ng for using Government property for an unauthorized purpose;**
- b. appropriate administrative action is taken against Mr. Lister for disregarding applicable laws and regulations when providing advice to Mr. Ng, thus allowing him to use Government property for an unauthorized purpose; and**
- c. the Chief Network Officer and Mr. Ng come to a mutually agreeable determination of the total number of miles Mr. Ng used Government vehicles for an unauthorized purpose, and ensure that Mr. Ng repays the applicable GSA mileage charges.**

Defer

We have forwarded this to General Counsel for review and will defer concurrence/nonconcurrence until receiving their response.

In process

Recommendation 2. The Acting Under Secretary for Health should ensure that:

- a. a bill of collection is issued to Mr. Ng to recover all funds spent on the sunporch, including the value of the work performed by facility personnel, above the \$1,500 initially estimated for replacing the screens and wood; and**
- b. appropriate administrative action is taken against Mr. Ng for using his Government position for his private benefit.**

Partially Concur

**ACTING UNDER SECRETARY FOR HEALTH'S
JANUARY 7, 2000 COMMENTS**

Action Plan in Response to OIG/GAO/MI Audits/Program Evaluations/Reviews

Name of Report: *Use of Government Resources, Conduct, and Travel Issues, Connecticut Healthcare System and Central Plains Veterans Integrated Service Network*

Project No.: 9IQ-005-HQ

Date of Report: Undated draft administrative investigation report

Recommendations/ Actions	Status	Completion Date
<p>The improvement to the sunporch is justified as a minor improvement, given the geographic region's harsh, lengthy winters. However, a reappraisal of the property including the sunporch following completion of the sunporch should have occurred with an appropriate rent increase. The reappraisal did occur although the sunporch was not included since the staff felt that it was not fully conditioned living space (a three season room). Another reappraisal should be conducted as soon as possible with a subsequent bill of collection issued to Mr. Ng to recover the difference in the monthly rent for the period of time he remained in the quarters at Newington.</p>	<p>In process</p>	<p>3/31/00</p>

Recommendation 3. The Acting Under Secretary for Health should ensure that:

- a. a bill of collection is issued to Mr. Ng for the \$1,612 in vendor and GSA charges he wasted by unnecessarily exchanging two vehicles between Connecticut and Nebraska; and**
- b. appropriate administrative action is taken against Mr. Ng for wasting Government funds.**

Concur

Appropriate administrative action should be taken against Mr. Ng and a bill of collection should be issued to him for the amount of \$1,612.

In process 3/31/00

Recommendation 4. The Acting Under Secretary for Health should ensure that appropriate administrative action is taken against Mr. Ng for improperly using his personal credit card to pay for official travel expenses and, in so doing, using his public office for private gain.

**ACTING UNDER SECRETARY FOR HEALTH'S
JANUARY 7, 2000 COMMENTS**

Action Plan in Response to OIG/GAO/MI Audits/Program Evaluations/Reviews

Name of Report: *Use of Government Resources, Conduct, and Travel Issues, Connecticut Healthcare System and Central Plains Veterans Integrated Service Network*

Project No.: 9IQ-005-HQ

Date of Report: Undated draft administrative investigation report

Recommendations/ Actions	Status	Completion Date
Concur		

Appropriate administrative action will be taken against Mr. Ng.

In process 3/31/00

Recommendation 5. The Acting Under Secretary for Health should ensure that:

- a. A bill of collection is issued to Mr. Ng for \$83, which he falsely claimed as an official expense on a travel voucher, and for \$162, which represents the value of the side trips he took for personal reasons using Government-issued airline tickets; and**
- b. Appropriate administrative action against is taken against Mr. Ng for improperly using a Government-issued airline ticket for his personal benefit, and for making a false claim on a travel voucher.**

Concur

Appropriate administrative action should be taken against Mr. Ng, and a bill of collection should be issued to him for \$245.

In process 3/31/00

Recommendation 6. The Acting Under Secretary for Health should ensure that appropriate administrative action is taken against Mr. Ng for misusing the official time of his subordinates.

Concur

**ACTING UNDER SECRETARY FOR HEALTH'S
JANUARY 7, 2000 COMMENTS**

Action Plan in Response to OIG/GAO/MI Audits/Program Evaluations/Reviews

Name of Report: *Use of Government Resources, Conduct, and Travel Issues, Connecticut Healthcare System and Central Plains Veterans Integrated Service Network*

Project No.: 9IQ-005-HQ

Date of Report: Undated draft administrative investigation report

Recommendations/ Actions	Status	Completion Date
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Although it does not appear that these actions are indicative of a pattern of deliberate misuse of subordinates official duty time, but, rather one of carelessness on the part of Mr. Ng, appropriate administrative action should be taken against Mr. Ng.

	In process	3/31/00
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Report Distribution

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